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RUEHCV/AMEMBASSY CARACAS 4257
RUEHPE/AMEMBASSY LIMA 4590
RUEHMD/AMEMBASSY MADRID 4328
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RUEHQT/AMEMBASSY QUITO 6874
RUEHSG/AMEMBASSY SANTIAGO 1650
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C O N F I D E N T I A L SECTION 01 OF 03 LA PAZ 002601

SIPDIS

STATE PASS TO FAS

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TAGS: [ECON](#) [PGOV](#) [AGR](#) [FAO](#) [FAS](#) [IFAD](#) [IICA](#) [BL](#) [EFIN](#) [PINR](#)

SUBJECT: BOLIVIAN FOOD SAFETY: TENTATIVE STEPS FORWARD

REF: A. LA PAZ 1175

[1](#)B. LA PAZ 111

Classified By: EcoPol Counselor Mike Hammer for reasons 1.4 (b), (d).

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Summary
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[1](#)1. (C) The Bolivian Plant and Animal Health Service (SENASAG) has spent the better part of 2008 trying to reorganize and line up operational funding. Our effort to fund technical programs with remaining Title I funds has been caught up in political battles and the refusal by some members of the Government of Bolivia to accept any U.S. oversight. Additionally, SENASAG was paralyzed by the power struggle between the national and departmental (state) governments. These obstacles seem to be lessening. An APHIS program to control the spread of hoof and mouth disease is advancing in the Chaco region of Southeastern Bolivia and the Government of Bolivia has also taken steps to work with us to program and allocate the problematic Title I funds. The September appointment of Carlos Romero at the Ministry of Rural Development seems to have brought a new pragmatism to both our relationship and to the goal of strengthening SENASAG. That said, cooperation with the U.S. is still problematic and may well be blocked by the former Agricultural Minister Susana Rivero, who now heads the Ministry of Production. End Summary.

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Positive News at SENASAG
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[1](#)2. (C) The Bolivian Plant and Animal Health Service (SENASAG) has been largely dysfunctional in 2008 (Refs. A and B). It has been used for political purposes and has suffered from the closure of an Inter-American Development Bank (IDB) program and the cutoff of departmental funds for the national operations. Several factors point toward a better year ahead. The September appointment of Carlos Romero as Minister of Rural Development appears to have brought a more pragmatic approach to resolving SENASAG's problems. Additionally, a new five year program with the IDB has been signed and now

lacks only the approval the Bolivian Congress. (Note: According to IDB officials, funding can begin immediately because of a new technical model designed to speed project implementation. End note.)

¶3. (C) While Title I funded projects have languished, a regional APHIS program aimed at reducing the threat of hoof and mouth disease outbreaks is moving ahead. The program is administered in Bolivia by the Inter-American Institute for Agricultural Cooperation (IICA) which is working with both the national and departmental governments to open and staff six outposts in the Chaco region, as well as a agricultural laboratory in the city of Villamontes in the Department of Tarija (it is hoped that the lab will eventually be available to clients in Paraguay and Argentina as well to reduce the transport time of potentially hazardous materials). It is encouraging that the central government appears willing to cede operational and technical control of both the outposts and the laboratory to regional officials. In fact, Minister Romero, Vice Minister Remy Gonzales and Tarija's Secretary of Economic Development Ernesto Farfan told Econoff that the new model for SENASAG will assign technical work to the departments, while oversight and certification will be the purview of the national organization. (Note: A stumbling block to the new system, which is also envisioned by the proposed MAS constitution which is likely to be approved January 25, is the persistence of the Santa Cruz Department in creating and maintaining an independent and autonomous plant and animal health service. End note.)

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¶4. (SBU) On December 12, Econoff traveled with Vice Minister Gonzales, APHIS Regional Director George Ball, the Hoof and Mouth Regional Supervisor David Ashford, and IICA officials to inaugurate the Chaco program. The APHIS officials emphasized the regional nature of the problem and the international effort that will be required to prevent any disease outbreaks; it is an issue that can only be effectively contained through international coordination. Meanwhile, Gonzales emphasized the role the new MAS constitution would have in bringing more resources to SENASAG. However, he also gratefully acknowledged the efforts of USDA-APHIS and actually thanked the U.S. Embassy, saying that he was happy to be at the event and had received permission from President Morales himself to inaugurate the project.

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The MAS: A House Divided
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¶5. (C) Much of this positive momentum must be credited to Minister Romero and Vice Minister Gonzales and their willingness to cooperate with U.S. officials. Gonzales traveled to Lima to discuss USDA efforts to strengthen SENASAG programs and also visited with the Peruvian plant and animal health agency. He came away impressed (mentioning in particular the advanced controls on fruit flies) and began working in earnest with our two APHIS employees in Santa Cruz to come up with a way to move the four moribund Title I programs forward (Note: Technical support for programs addressing hoof and mouth, fruit flies, Newcastle poultry disease, and camilids have been frozen since the government dismantled the financial controls we had put in place (Ref. B). End note.) A plan for action was written and it was agreed that a Consultive Committee meeting would be called. (Note: The Consultive Committee is composed of the USDA Counselor Gene Philhower, out of Lima, a U.S. Embassy representative, and two members of the Ministry of Rural Development. The Committee must approve projects which will be funded with the remaining Title I funds. End note.)

¶6. (C) Title I projects were stalled over the past year largely because the former minister, Susana Rivero, was hostile toward U.S. cooperation. Rivero now sits as the

Minister of Planning, which oversees the PL-480 Board (now renamed Insumos Bolivianos) and hosts the Committee meetings (it also safeguards the Title I funds). When the PL-480 was being "refounded," Rivero replaced the director with Oscar Sandy, a former SENASAG employee hostile toward Embassy involvement in SENASAG. According to PL-480 regulations, the Embassy should be asked for its consent when a new director is named--this did not take place. USAID, which also has interests in the PL-480, wrote a letter expressing concern regarding the naming process and Sandy replied by letter that the U.S. had no such consultative rights and Insumos Bolivianos did not need the Embassy's permission to name a new director.

17. (C) Days before the scheduled Committee meeting, Sandy announced that Insumos Bolivianos would not participate. Despite this, we were able to sit down with Minister Romero, the SENASAG Director, and Gonzales to discuss the proposed Action Plan. At the meeting, we were open to the possibility of re-approving the four technical projects with new controls and a defined implementation schedule, but we were firm that these programs could not be approved until they were clearly defined in writing. We requested the ministry to move any proposals through the formal approval process.

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Comment
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18. (C) The control of harmful plant and animal disease is important not just for Bolivia, but for the region as a whole. With that in mind, a functioning SENASAG is a worthy

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goal for the USG to continue to pursue. The current Minister of Agriculture seems to be setting a more pragmatic agenda regarding SENASAG and cooperation with the regional governments appears to be advancing towards that goal. That said, trust in the Morales administration to follow through on its commitments is low and as we take steps to re-approve any cooperative programs using the Title I funds, adequate administrative and technical controls will have to be ensured. Moreover, there is no guarantee that the current minister and vice minister will remain at their posts; turnover in the Morales administration is chronic and programs tend to be personalized rather than institutional. Finally, while Minister Romero seems pragmatic regarding SENASAG, it should be noted that he is an ideological member of the MAS who is also functioning as the lead minister in the push for land distribution. Given the past history of our relationship with the government, current progress only warrants cautious optimism.

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